

DEPARTMENT OF AGRICULTURE

FINANCIAL SUMMARY

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	FY 2007 REQUEST	GOVERNOR RECOMMENDS FY 2007
Office of the Director	\$ 7,064,386	\$ 11,238,105	\$ 21,541,742	\$ 16,293,025
Information Technology	0	1,061,877	0	0
Agriculture Business Development	3,229,742	4,237,257	4,293,137	4,348,060
Division of Animal Health	3,585,373	4,816,356	4,833,202	4,941,432
Division of Grain Inspection and Warehousing	2,064,878	2,840,106	2,867,607	2,958,459
Division of Plant Industries	2,331,498	2,750,856	3,128,067	3,200,900
Division of Weights and Measures	2,692,022	4,004,470	3,460,386	3,551,231
Missouri State Fair	4,284,779	5,113,295	5,159,117	5,227,336
State Milk Board	1,077,267	1,561,577	1,567,701	1,581,486
DEPARTMENTAL TOTAL	\$ 26,329,945	\$ 37,623,899 *	\$ 46,850,959	\$ 42,101,929
General Revenue Fund	14,530,608	16,484,499	27,758,027	22,742,779
Federal Funds	1,962,335	5,443,995	4,629,026	4,683,906
State Fair Fees Fund	3,760,702	4,655,352	4,634,697	4,682,337
Milk Inspection Fees Fund	951,443	1,446,771	1,440,896	1,450,737
Grain Inspection Fees Fund	1,239,891	1,955,228	1,986,486	2,047,589
Petroleum Inspection Fund	1,566,217	2,168,769	2,160,551	2,211,763
Petroleum Violation Escrow Fund	0	1,100,001	0	0
Marketing Development Fund	1,285,498	2,095,030	1,665,863	1,670,401
Other Funds	1,033,251	2,274,254	2,575,413	2,612,417
Full-time equivalent employees	377.10	423.05	411.30	411.30

* Does not include \$93,101 recommended in the Fiscal Year 2006 Supplemental Appropriations, including \$29,415 general revenue. See the Supplemental section of the Missouri Budget for details regarding Department of Agriculture supplemental appropriations.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2007 budget provides a total of \$42.1 million for the Department of Agriculture. The department provides services for Missouri's farmers, ranchers, and agricultural processors. The core functions provided by the Department of Agriculture include:

- Promoting Missouri agriculture, both at home and abroad.
- Assisting start-up value-added agriculture businesses.
- Protecting Missouri's livestock and domestic animals, and the businesses and citizens who rely on them.
- Inspecting Missouri's fresh fruits, vegetables, milk, feed, seed, and forest products.
- Regulation, control, and inspection of measuring devices and petroleum products.

DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR

The Office of the Director makes policy decisions on agricultural issues, sets the department's goals and priorities, and coordinates activities of the various divisions to achieve those goals. The Office of the Director includes administrative functions such as human resources, fiscal services, public information, information technology, and statistical services. The Director's Office also administers the Ethanol Producer Incentive Program and the Biodiesel Producer Incentive Program.

Fiscal Year 2007 Governor's Recommendations

- \$5,250,000 for incentives for biodiesel plants.
- \$625,000 for incentives for ethanol plants.
- \$310,000 federal and other funds for vehicle replacements.
- \$32,159 for pay plan, including \$24,256 general revenue.
- (\$1,100,001) Petroleum Violation Escrow Fund core reduction for one-time expenditures.
- (\$62,238) reallocated to various divisions, including (\$8,713) general revenue.

INFORMATION TECHNOLOGY

Information technology resources have been transferred to the Office of Administration. The Information Technology Services Division will be the central point for coordinating data processing and telecommunications for most state agencies.

Fiscal Year 2007 Governor's Recommendations

- \$24,018 federal funds reallocated to information technology.
- (\$902,914) and (11.50) staff transferred to the Office of Administration for statewide consolidated information technology services, including (\$504,335) general revenue.
- (\$182,981) reallocated to various divisions, including (\$19,529) general revenue.

DIVISION OF AGRICULTURE BUSINESS DEVELOPMENT

The Agriculture Business Development Division (ABD) increases the profitability of Missouri's farmers and agribusinesses by increasing international and domestic sales of agricultural products that are produced or processed in Missouri. The division provides six specific services: (1) business counseling, (2) domestic marketing assistance, (3) international marketing assistance, (4) industry facilitation, (5) product promotion, and (6) financial programs. The first five of these services are administered through the Business Services Program of ABD. Financial programs are administered through the Missouri Agriculture and Small Business Development Authority (MASBDA), which is governed by an independent board. MASBDA administers loans, loan guarantees, grants, and tax credits aimed at increasing the profitability of Missouri's farmers.

ABD staff are assigned to at least one of five customer teams: (1) Crops and Timber (also includes forages, feed ingredients, biomass, and biofuels); (2) Livestock (also includes meat products and dairy); (3) Horticulture and Agritourism (also includes farmers markets); (4) Food Products; and (5) Grape and Wine (which administers the Grape and Wine Program that is governed by an independent board). These teams work closely with commodity organizations and other industry partners to develop and implement strategies that meet client needs in each agricultural sector.

ABD also administers the AgriMissouri branding initiative which promotes products that are produced or processed in Missouri through a variety of marketing channels, including retail, restaurant, schools, institutions, and direct-to-consumer marketing. Over 250 Missouri businesses are members of AgriMissouri. Members of the Commission on the Marketing of Missouri Agricultural Products serve as advisors to the department's AgriMissouri marketing efforts.

Fiscal Year 2007 Governor's Recommendations

- \$457,173 Missouri Wine and Grape Fund to begin a two-year replacement of Marketing Development Fund and to support the staff and activities of the Missouri Wine and Grape Board, pursuant to SB 355 (2005).
- \$54,923 for pay plan, including \$35,272 general revenue.
- \$10,820 reallocated from various divisions, including \$1,638 general revenue.
- (\$412,113) Marketing Development Fund core reduction from the Fiscal Year 2006 appropriation level.

DEPARTMENT OF AGRICULTURE

DIVISION OF ANIMAL HEALTH

The Division of Animal Health implements regulations and programs to protect Missouri's livestock, poultry, and other domestic animals from dangerous, infectious, or contagious diseases. This includes enforcement of regulations as required under Section 267.230, RSMo, which gives the director of the Department of Agriculture the authority to designate certain employees to intercept, stop, or detain for official inspection any vehicle carrying livestock in the state. Through control and elimination of diseases and diseased animals, the division enables Missouri's livestock and poultry to remain eligible for interstate and international export marketing. Diagnostic laboratories are maintained in Jefferson City and Springfield, and additional professional services are contracted through the University of Missouri-Columbia College of Veterinary Medicine.

The division's Meat and Poultry Inspection Program works with producers to promote, protect, and develop the agricultural interests of Missouri processed meat products. This program helps livestock and poultry producers add value to their operations and capture additional profits from their meat products. To ensure the health and well being of companion animals sold in Missouri, the division also licenses and inspects animal shelters, dog pounds, boarding kennels, commercial kennels, contract kennels, and pet shops.

Fiscal Year 2007 Governor's Recommendations

- \$15,000 to enhance Missouri livestock exports through a quality assurance system.
- \$108,230 for pay plan, including \$64,048 general revenue.
- \$58,473 reallocated from various divisions, including \$3,498 general revenue.
- (\$56,277) Animal Health Laboratory Fee Fund transferred to the statewide leasing budget.
- (\$350) federal funds core reduction for one-time expenditures.

DIVISION OF GRAIN INSPECTION AND WAREHOUSING

The Division of Grain Inspection and Warehousing operates four programs to assist Missouri grain farmers and agribusinesses. The Grain Regulatory Services Program enforces the provisions of the Grain Warehouse Law, Chapter 411, RSMo, and the Grain Dealers Law, Section 276.401-276.581, RSMo, to ensure grain producers that licensed grain warehouses and grain dealers are reputable businesses in sound financial condition.

The Grain Inspection Services Program provides official inspection and weighing of grain upon request to assist both grain farmers and grain businesses in the marketing of Missouri's corn, soybean, wheat, and other grain crops. The program covers all costs of operation by charging fees for services performed, which are deposited into the Grain Inspection Fees Fund.

The division also administers the state's Certified Agricultural Mediation Program, which mediates disputes between Missouri farmers and USDA agencies, and the Commodity Merchandising Program, which provides centralized administration for the collection and distribution of fees for nine commodity check-off programs.

Fiscal Year 2007 Governor's Recommendations

- \$90,852 for pay plan, including \$25,043 general revenue.
- \$29,845 reallocated from various divisions, including \$2,528 general revenue.
- (\$2,344) Grain Inspection Fees Fund transferred to the statewide leasing budget.

DIVISION OF PLANT INDUSTRIES

The Division of Plant Industries operates six programs and two laboratories serving Missouri agriculture. The Feed and Seed Program performs sampling and laboratory analyses of planting seed and commercial feeds to ensure that they meet requirements for accurate labeling. Inspections are also conducted to ensure good manufacturing practices are followed and that prohibited mammalian protein is not formulated into feed rations to help prevent the dissemination of BSE (Mad Cow Disease).

The Pesticide Control Program promotes the safe use of pesticides by licensing private and commercial applications, conducting field inspections, conducting investigations of pesticide misuse, and ensuring the proper registration of pesticides. The Plant Pest Control Program conducts inspections of nurseries, greenhouses, and other plant products to prevent the introduction and dissemination of insect, disease, and noxious weed pests that could be detrimental to plants and crops. Phytosanitary certification inspections are also conducted for plant materials being exported to other states and countries.

DEPARTMENT OF AGRICULTURE

DIVISION OF PLANT INDUSTRIES (Continued)

The Integrated Pest Management Program (IPM) promotes effective alternative strategies to traditional pest control through the use of biological control agents, pest resistant varieties, and adoption of improved cultural practices. The IPM Program also administers the Boll Weevil Eradication Program. The Forest Resources and Weed Control Program inspects treated wood products to ensure that minimum preservation standards are met and assists county weed control boards in the control and eradication of Johnson grass, a noxious weed. The Fresh Fruit and Vegetable Inspection Program performs shipping point and terminal market inspections of fresh produce to facilitate the sale of Missouri grown produce and ensure the quality of produce sold to consumers.

Fiscal Year 2007 Governor's Recommendations

- \$483,000 to support cotton boll weevil suppression and eradication efforts.
- \$72,833 for pay plan, including \$55,459 general revenue.
- \$21,711 reallocated from various divisions, including \$2,788 general revenue.
- (\$127,500) and (0.25) staff Organic Production and Certification Fee Fund core reduction from the Fiscal Year 2006 appropriation level.

DIVISION OF WEIGHTS AND MEASURES

The Division of Weights and Measures operates four regulatory programs and two laboratories to fulfill its goal of protecting consumers. The Device and Commodity Program inspects livestock market, grain elevator, vehicle, and small retail scales and scanning devices to ensure their accuracy. In addition, milk sales practices are monitored and shell eggs are inspected for quality.

The Petroleum/Propane/Anhydrous Ammonia Program protects consumers against inaccurate and unsafe gasoline pumps and unsafe practices by the retailer. They also inspect public institutions, commercial facilities, mobile home parks that store and use propane, and LPG-converted vehicles (including school buses) to protect lives and property from fire and explosions. In addition, they approve propane gas delivery truck and dispenser meters to prevent overcharges on fuel bills and oversee anhydrous ammonia fertilizer installations for safety.

The division's Metrology Laboratory certifies volume and weight standards used by device service repair technicians, maintains all mass and volume standards used for calibrating industry standards, and certifies all weighing and measuring devices used by the division's inspectors. In addition, the Moisture Meter Program protects Missouri farmers against unjustified discounts on grain sales due to inaccurate moisture content values.

The Fuel Quality Program and laboratory collect samples and perform chemical analyses on gasoline, diesel fuel, heating oil, and other fuels to ensure that octane and other quality specifications are met.

Fiscal Year 2007 Governor's Recommendations

- \$142,500 to replace a digital mass comparator.
- \$23,229 to recertify selected weight standards.
- \$90,845 for pay plan, including \$37,027 general revenue.
- \$48,406 reallocated from various divisions, including \$235 general revenue.
- (\$716,477) federal funds core reduction from the Fiscal Year 2006 appropriation level.
- (\$41,742) core reduction for one-time expenditures.

DEPARTMENT OF AGRICULTURE

MISSOURI STATE FAIR

The Missouri State Fair is held annually in August on the state fairgrounds in Sedalia. The fair provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. In addition, the fair offers a variety of entertainment and educational events. The fairgrounds also are available during the rest of the year for various types of exhibits, sales, meetings, and entertainment.

Fiscal Year 2007 Governor's Recommendations

- \$68,219 for pay plan, including \$20,579 general revenue.
- \$45,822 reallocated from various divisions, including \$16,950 general revenue.

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	GOVERNOR RECOMMENDS FY 2007
State Fair Administration	\$ 4,284,779	\$ 5,113,294	\$ 5,227,335
Aid-To-Fairs Premiums	0	1	1
DIVISIONAL TOTAL	\$ 4,284,779	\$ 5,113,295	\$ 5,227,336
General Revenue Fund	531,193	497,469	534,998
State Fair Fees Fund	3,750,437	4,605,825	4,682,337
Marketing Development Fund	0	1	1
State Fair Trust Fund	3,149	10,000	10,000
Full-time equivalent employees	60.07	61.75	61.75

STATE MILK BOARD

The State Milk Board inspects, samples, and tests milk and milk products ensuring that they are wholesome and safe for consumption. The board operates both a Grade A Milk Inspection Program and a Manufacturing Grade Milk Inspection Program to ensure milk quality. An inspection fee of five cents per one hundred pounds of Grade A milk is assessed and deposited in the Milk Inspection Fees Fund to cover all costs of the Grade A Milk Inspection Program. The Manufacturing Grade Milk Inspection Program, which ensures sanitation and quality standards for milk used only for manufacturing dairy products (e.g. cheese, butter, and ice cream), is funded from general revenue because inspection fees have not been assessed on manufacturing grade milk producers. Approximately one-half of all Grade A milk is consumed as fluid milk with the remainder used for manufacturing purposes.

Fiscal Year 2007 Governor's Recommendations

- \$13,785 for pay plan, including \$3,944 general revenue.
- \$6,124 reallocated from various divisions, including \$605 general revenue.